

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2003

	As of <u>6-30-03</u>	As of <u>6-30-02</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 475,417,195	\$ 454,371,763
INTERNATIONAL EQUITIES	293,812,409	289,731,886
DOMESTIC FIXED INCOME	150,491,883	163,412,983
INTERNATIONAL FIXED INCOME	52,857,523	68,403,109
REAL ESTATE	109,451,910	105,982,182
VENTURE CAPITAL	52,189,986	40,322,264
INVESTED CASH (NOTE 1)	<u>23,855,378</u>	<u>25,684,813</u>
 TOTAL INVESTMENTS	 1,158,076,284	 1,147,909,000
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	4,588,915	5,409,970
CONTRIBUTIONS/ASSESSMENTS REC	6,260,471	5,783,738
MISCELLANEOUS RECEIVABLE	<u>41,698</u>	<u>74,534</u>
 TOTAL RECEIVABLES	 10,891,084	 11,268,242
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	53,373,514	58,369,414
OPERATING CASH (NOTE 3)	7,388,155	7,248,921
DUE FROM OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>0</u>
 TOTAL ASSETS	 <u>\$ 1,229,729,037</u>	 <u>\$ 1,224,795,577</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	824,172	827,630
ACCRUED EXPENSES	244,481	219,170
SECURITIES LENDING COLLATERAL (NOTE 2)	53,373,514	58,369,414
DUE TO OTHER AGENCIES (NOTE 5)	<u>38,392</u>	<u>9,798</u>
 TOTAL LIABILITIES	 54,480,559	 59,426,012
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,165,369,565	1,290,662,140
CASH IN DURING YEAR (NOTE 6)	120,855,000	118,154,000
CASH OUT DURING YEAR (NOTE 7)	120,855,000	118,154,000
NET INCREASE (DECREASE)	<u>9,878,913</u>	<u>(125,292,575)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,175,248,478</u>	 <u>1,165,369,565</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,229,729,037</u>	 <u>\$ 1,224,795,577</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2003

	Month Ended 6-30-03	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 1,996,113	\$ 34,832,384
SECURITIES LENDING INCOME	70,433	920,831
	<u>2,066,546</u>	<u>35,753,215</u>
GAIN ON SALE OF INVESTMENTS	12,182,136	172,571,058
LOSS ON SALE OF INVESTMENTS	<u>13,498,371</u>	<u>208,426,905</u>
NET GAINS (LOSSES) INVESTMENTS	(1,316,235)	(35,855,847)
INVESTMENT EXPENSES	334,651	3,948,283
SECURITIES LENDING EXPENSES	42,879	704,309
SIB ADMINISTRATIVE EXPENSES	<u>17,283</u>	<u>129,808</u>
NET INVESTMENT INCOME	355,498	(4,885,032)
NET APPREC (DEPREC) MARKET VALUE	18,056,676	25,929,793
MISCELLANEOUS INCOME/(EXPENSE)	<u>80,217</u>	<u>3,455,436</u>
TOTAL INVESTMENT INCOME	18,492,391	24,500,197
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	6,593,905	57,701,835
PURCHASED SERVICE CREDIT (NOTE 9)	577,142	2,507,168
PENALTY & INTEREST (NOTE 10)	<u>(152)</u>	<u>1,158</u>
TOTAL ADDITIONS	<u>25,663,286</u>	<u>84,710,358</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,245,356	72,044,977
REFUNDS TO MEMBER (NOTE 12)	<u>43,940</u>	<u>1,729,764</u>
TOTAL BENEFITS PAID	6,289,296	73,774,741
ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	162,097	1,056,611
MISCELLANEOUS EXPENSES	<u>0</u>	<u>93</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>162,097</u>	<u>1,056,704</u>
TOTAL DEDUCTIONS	<u>6,451,393</u>	<u>74,831,445</u>
NET INCREASE (DECREASE)	<u>\$ 19,211,893</u>	<u>\$ 9,878,913</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
June 30, 2003

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 4 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 5 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

TEACHERS' FUND FOR RETIREMENT
Notes to Financial Statements
6/30/03

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.